

INVESTOR UPDATE IN 1H2018



“In 1H2018, revenue increased by 19%, equal to 105% of the YTD target and profit before tax increased 32%, equal to 113% of the YTD target, in like for like comparison ().*



FPT recorded revenue of VND 10,225 billion and profit before tax (PBT) of VND 1,687 billion. PBT margin achieved 16.5%, equal to 2.3 times that of 1H2017.

Summary of YTD consolidated financial performance

Unit: VND in billions

Items	6M2018	vs. YTD guidance	YoY change	
			Like for like comparison (*)	Compared to the report number
Net revenue	10,225	105%	19%	-49%
Profit before tax (PBT)	1,687	113%	32%	18%
Profit after tax (PAT)	1,412	112%	30%	17%
PAT attributed to parent company's shareholders	1,103	115%	35%	19%
Basic EPS (VND)	1,803	115%	34%	19%

Table 1 - Summary of financial performance in 6M2018

(*) Incorporate FPT Retail and Synnex FPT as FPT's associates under the equity method

(**) Fully incorporate FPT Retail and Synnex FPT as FPT's subsidiaries

Overseas markets continue to be an important growth of FPT in 1H2018. Revenue from overseas markets was VND 3,887 billion, up 27% YoY. PBT from overseas markets was VND 607 billion, up 35% YoY, accounting for 36% of consolidated PBT.

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Main business sectors exceeded the YTD target



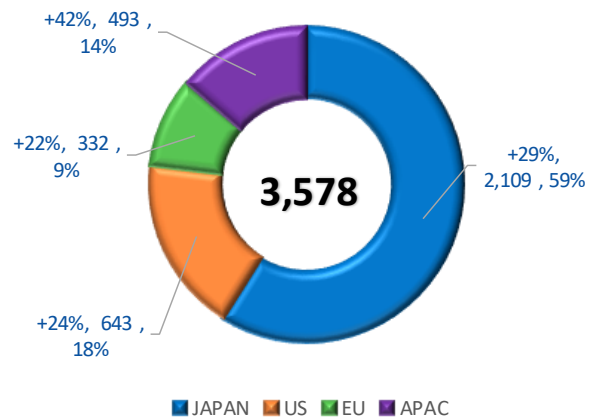
Technology sector: PBT soars by 31% YoY, driven by the core pillar - Software Outsourcing

- ❖ **Software outsourcing:** In 1H2018, the segment recorded revenue of VND 3,578 billion, up 29% YoY. PBT for the reported period was VND 532 billion, up 23% YoY.

Outsourcing revenue by markets achieved a good growth of over 20% YoY. Japan continued to be FPT's most important market with revenue of VND 2,109 billion, up +29% YoY, accounting for 59% of software outsourcing revenue.

APAC market also had impressive growth of 42% YoY and reached VND 493 billion.

Outsourcing revenue by markets



With a strategic focus on digital transformation, this service line's revenue from overseas markets was VND 742 billion, up 41% YoY, contributing 21% to the software outsourcing's revenue. Through acquiring 90 percent of Intellinet Consulting, LLC – an IT consulting firm among the top 50 fastest growing consulting firms in the US, FPT will provide more comprehensive services with higher added value to leading global companies, especially in digital transformation.

- ❖ **System integration, software solution and IT services:** The business recorded revenue of VND 1,879 billion, up 7% YoY, equal to 113% of the YTD targets, and PBT of VND 60 billion. In 1H2018, the contribution of software and services to the total revenue of this business segment continued to rise. Specifically, the proportion of software and services' revenue increased from 37% in 1H2017 to 44% in 1H2018. Total contract value signed in 1H2018 was VND 1,657 billion, down 27% YoY (down 52% in 1Q2018). In 1H2017, FPT won software contracts and ATM maintenance services from the largest banks for the subsequent three years, but there are such contracts in 1H2018.

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Backlog balance for these three segments ended up being VND 2,796 billion by the end of June.



Telecom sector: Telecom services is the key growth driver of this sector

- ❖ **Telecom services:** Revenue was VND 3,950 billion in 1H2018, achieving the YTD targets, up 16% YoY. PBT was VND 592 billion, equal to 106% of the YTD targets, up 18% YoY. Broadband services revenue recorded 13% YoY growth and reached VND 2,561 billion. Excluding the provision of the Vietnam Public Utility Telecommunication Service fund (VPUT fund) and license fee (for current and comparative periods), PBT margin increase by 1.4% YoY thanks to the better financial performance of Pay TV. Pursuant to Decision No. 868/QĐ – TTg dated July 16, 2018, the contribution rate of the VPUT fund is reduced from 1.5% to 0.7%.



Education: In 1H2018, the segment achieves double-digit growth of revenue, exceeding 8% of the YTD targets, underpinned by strong growth in new enrollments over the past couple of years.

In June 2018, the education system from primary to high school delivered an enrollment strong growth of 55%, equivalent to 1,100 new students. Furthermore, FPT acquired a new infrastructure of school with an area of over 4,000m². The new campus is located in the center of Cau Giay dist. with 3 blocks of 5-7 storeys, enough to accommodate to 2,000 students.



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Financial performance by sectors

Unit: VND in billions

Segments	REVENUE				PROFIT BEFORE TAX			
	6M2017	6M2018	YoY change	% YTD guidance	6M2017	6M2018	YoY change	% YTD guidance
Software outsourcing	2,768	3,578	29%	104%	431	532	23%	102%
System integration, software solutions and IT services	1,754	1,879	7%	113%	22	60	174%	192%
Subtotal Technology	4,522	5,457	21%	107%	453	592	31%	107%
Telecom services	3,403	3,950	16%	101%	503	592	18%	106%
Online advertising	231	241	4%	93%	120	135	13%	95%
Subtotal Telecom	3,634	4,191	15%	101%	623	727	17%	104%
Education & investments	450	577	28%	N/A	60	185	210%	N/A
Distribution and Retail associates	-	-	N/A	N/A	138	183	32%	N/A
Total (like for like comparison)	8,606	10,225	19%	105%	1,274	1,687	32%	113%
Consolidated adjustment	11,531	-	N/A	N/A	153	-	N/A	N/A
Total	20,136	10,225	-49%	105%	1,427	1,687	18%	113%

Table 2 - Financial performance by segments in 6M2018

Note: Subtotals may not add up due to rounding

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